of the Treasury has had several conversations with Crawford, Northcliffe and myself recently.

He says that Congress authorised the loan of three billions immediately after the declaration of war. The country did not realise the necessity of this vast expenditure but accepted the President's recommendation. The idea was to help the Allies in buying supplies for the continuation of the War. The country did not realise the situation in which the Allies actually were and that financial help was needed not only for future expenditure but for the *Funds meeded* obligations incurred in the past. The *to cover* time was rapidly approaching when the *past* sum authorised would be expended.

expenditure The Secretary thought that it would be a very difficult matter to get a new appropriation from Congress. It would be absolutely impossible unless he were able to explain exactly how the money already voted had been expended. This he was totally unable to do at the present as full explanations had not been afforded to him.

Furthermore, he felt that loans should be utilised like battalions in a battle where they were most needed and where they would have the greatest effect. This was impossible unless he knew accurately what was the actual state of affairs from the military, naval, political and financial

points of view. I said that I believed a request had already been made to the United States Government to send someone of high authority to take part in the deliberations of the Allies. He said that besides this it would be desirable for the British Government to send someone of authority over here. I pointed out that Sir Hardmazi Lever was Financial Secretary of the Treasury, that Lord